

Top Secret

25X1

PCB

USIB

UNITED STATES
INTELLIGENCE
BOARD

National Intelligence Bulletin

State Dept. review
completed.

DIA review
completed.

Top Secret

25X1

4 October 1974

25X1

Nº 639

Page Denied

National Intelligence Bulletin

October 4, 1974

CONTENTS

ITALY: Difficult negotiations anticipated in forming new government. (Page 1)

PORTUGAL: Government changes improve leftists' position. (Page 3)



25X1

SOUTH VIETNAM: Political activity increases, but is unlikely to pose a serious threat to Thieu government. (Page 6)

SOUTH VIETNAM: Military situation. (Page 9)

CYPRUS: Strong support from Makarios prompts Clerides not to resign. (Page 10)

LEBANON: Salam to attempt to form new government. (Page 11)

TURKEY: Democratic Party thwarts Demirel's attempt to form a new government. (Page 12)



25X1

THAILAND: Prime Minister Sanya steps aside. (Page 15)



25X1

FRANCE: Conscription and personnel problems may prompt reform in the military. (Page 17)

FOR THE RECORD: (Page 18)

National Intelligence Bulletin

October 4, 1974

ITALY

Long and difficult negotiations will be required to form a successor to Prime Minister Rumor's center-left government, which resigned yesterday.

The Christian Democrat that President Leone picks to form the next government--party chief Amintore Fanfani is a strong possibility--will probably try to put the center-left coalition back together. Failing that, the Christian Democrats may form a one-party, caretaker government to preside until the dust settles.

Evidence had been mounting that there would be a major political blowup in Italy this fall. All that was missing was a catalyst. That came Tuesday, when the smallest party in Rumor's cabinet, the Social Democrats, unleashed a bitter attack on its Socialist coalition partners.

Finance Minister Tanassi, leader of the Social Democrats, accused the Socialists of paralyzing the coalition with their insistence on closer relations with the Communists and changes in the austerity program passed by parliament in mid-August. Tanassi said the only solution was for President Leone to call new elections, since parliamentary arithmetic does not now permit a workable non-Communist majority without the Socialists.

Leaders of all the parties had long been talking about the need for a political "clarification" and had already scheduled a series of meetings for next week to assess the situation, but most were caught off-guard by Tanassi's outburst. Many thought the move premature, but they chose after consultations yesterday to exploit this chance to clear the air.

Speculating about Social Democratic motivation, some left-wing and moderate press commentators have pointed to the US as the instigator of Tanassi's move. They charge that Tanassi--who is noted for his strong anti-Communist views--was influenced by reports that the US is alarmed over the prospect of increased Communist influence in Italy.

National Intelligence BulletinOctober 4, 1974

President Leone may refuse to accept Rumor's resignation, as he did last June when he managed to keep the government in place. This tactic is less likely to work now, however, because differences among the coalition parties have grown considerably. A fairly broad consensus, moreover, holds that Rumor's mandate has run out.

Leone will also be reluctant to accept the Social Democrats' call for elections. Sentiment is running strongly against an election, not only because it failed to solve anything when last tried in 1972, but also because the Socialists and Communists stand the best chance of scoring gains. Most political leaders would prefer to study the outcome of regional elections this spring before risking a national contest.

Negotiations will be complicated, mainly by the increased assertiveness of the Socialists. Buoyed by their successes in the divorce referendum last spring and the Sardinian regional election in June, they will press hard for more important cabinet posts, more spending on social programs, and--probably--for some form of governmental collaboration with the Communists.

While this is all going on, the Communists will be hammering away at the theme they have stressed with increased emphasis during the last year--that the country's problems cannot be solved without Communist help. They will be seeking official recognition by the governing parties, such as formalized consultations on legislative matters.

25X1

National Intelligence Bulletin October 4, 1974PORTUGAL

The changes announced yesterday in the Portuguese government have further improved the position of the leftists.

Prime Minister Goncalves, who is a prominent member of the leftist-oriented Armed Forces Movement, has assumed the defense portfolio. In this role, he will be "assisted" by another member of the Movement, Major Vitor Alves. The defense post had previously been manned by Spinoia supporters. President Costa Gomes is still armed forces chief of staff, the most important military position in Portugal, but Goncalves and the Movement are now in a good position to undermine Costa Gomes on military matters.

In addition, the Ministry of Information has been reduced to a lesser office, directly responsible to the prime minister. President Costa Gomes indicated to Ambassador Scott earlier this week that one of the first priorities of his government would be to discipline the media and put an end to its obvious and growing left-wing bias. With the information office placed under the jurisdiction of the left-leaning Goncalves, however, Costa Gomes may find it difficult to carry out his disciplining.

Two of the four vacancies on the seven-member junta, which acted as an executive advisory body to Spinoia, were filled yesterday. The names of the two new junta members will not be announced, however, until the Council of State approves them next week. A group of army officers had been meeting for two days to select the two representatives. Air force officers in the Movement also held their first meeting yesterday to choose their representatives for the other two vacated junta slots.

25X1

Page Denied

Next 1 Page(s) In Document Denied

National Intelligence Bulletin October 4, 1974

SOUTH VIETNAM

During the past month, three groups have stepped up political activity in South Vietnam. Catholic and Buddhist dissidents have been protesting the Thieu administration's failure to curb corruption and deal with South Vietnam's economic difficulties, and members of the news media have been agitating for freedom of the press. There seems little likelihood, however, that these groups will pose a serious threat to the stability of the government.

By banding together, they could form a formidable opposition, but Vietnamese political history, filled with shifting alliances and opportunistic betrayals of dissident groups, does not augur well for any concerted action against President Thieu. Nevertheless, as the 1975 presidential election campaign draws near, the economy worsens, and war weariness increases, political activism will probably grow.

The Catholic People's Anticorruption Movement (PACM), formed several months ago, received little attention until National Police overreacted to their demonstration in Hue on September 8. Since then, their demonstrations in other cities have been orderly. The police, following Thieu's orders, have done nothing to thwart their meetings.

The Catholic hierarchy has not supported the dissident group. Reports say that the senior clergy feel that the group's leader, Tran Huu Thanh, went too far in charging Thieu with corrupt practices and that attacks against the government at this time can only redound to the Communists' advantage. The hierarchy would probably throw its support behind the group only if it attracts much wider popular support.

The National Reconciliation Force (NRF), a predominantly Buddhist organization, is led by opposition Senator Vu Van Mau. While the political arm of the An Quang Buddhists has conditionally sanctioned the group, church

National Intelligence Bulletin

October 4, 1974

leaders are divided over the organization's role. Like the Catholic hierarchy, they are not yet prepared to encourage instability for the benefit of the Communists.

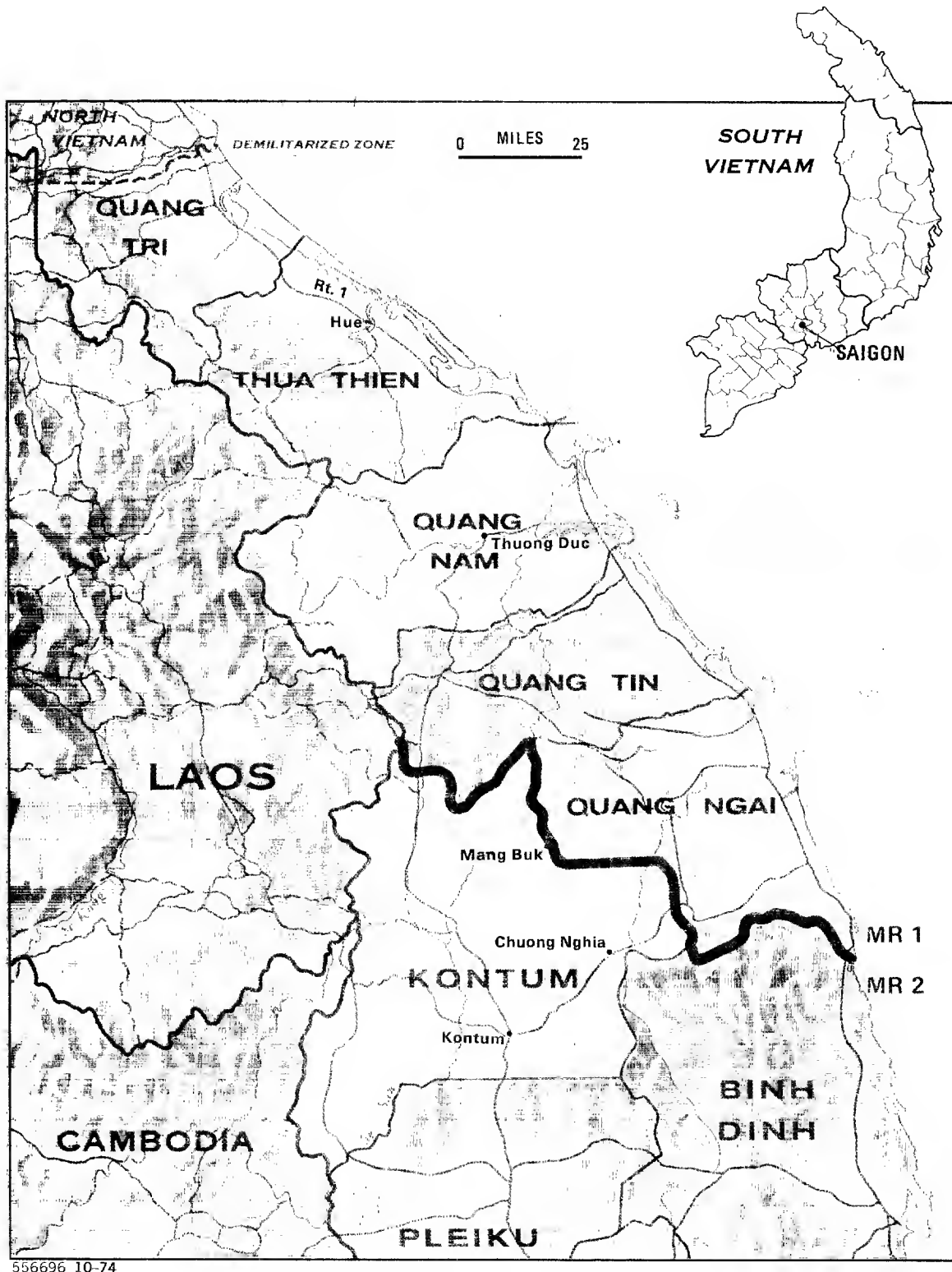
The move for freedom of the press is supported by the Catholic and Buddhist groups, but it is primarily aimed at relaxing a law allowing the government to censor articles or confiscate newspapers. On September 20, several publishers in Saigon burned their papers before the police could confiscate them, and members of the NRF and PACM assisted them.

Communist propaganda in recent weeks shows their interest in these fledgling political movements. Articles since the incident on September 8 have heralded the demonstrations as proof of dissatisfaction among the urban masses, and have speculated that the US is covertly supporting these movements. While there is no evidence the Communists have direct influence with these groups, recent COSVN instructions say that the Communist Party should try to gain control and provide support for the protest organizations. Specifically, the local party organizations were directed to proselyte the leadership and motivate the masses to support the movements.

The government has reacted with moderation and Prime Minister Khiem, who views the activity as the opening round in the 1975 presidential election campaign, has been urging Thieu to continue the restrained response. He has also encouraged Thieu to give limited concessions to the opposition to foster the government's image. In a speech on October 1, Thieu said he would propose amendments to the controversial press code and the political parties law.

25X1

25X1



National Intelligence Bulletin October 4, 1974SOUTH VIETNAM

North Vietnamese attacks against the Chuong Nghia outpost--the last government stronghold in northern Kontum Province--have steadily increased in intensity since September 30. A government military officer reports that contact with the garrison has now been lost. South Vietnamese casualties appear heavy, and reinforcement is unlikely because of heavy Communist ground fire.

Following the loss of a similar camp at Mang Buk in August, South Vietnamese commanders in Military Region 2 asserted that Chuong Nghia would be defended at all costs. The outpost, however, is manned only by local security forces, who with air support and good defenses still are little match for opposing North Vietnamese main force infantry and artillery units.

The loss of the camp would give the Communists full control of the northern two thirds of Kontum Province. Together with their recent gains in western and southern Quang Ngai Province, this would significantly enhance the Communists' ability to construct roads and move supplies closer to inland population centers and National Highway 1 along the coast.

Fighting has also intensified in central Military Region 1, where Communist forces continue their efforts in the Hue area to secure highground positions above Route 1 before the rains get heavier. South Vietnamese commanders are confident they can contain the attacks, but they have made little progress in regaining territory already lost.

In Quang Nam Province, South Vietnamese forces trying to recapture the former district capital of Thuong Duc have been slowed by increased artillery and mortar attacks. Government analysts believe the Communists have moved a fresh regiment into the area to contain the government's advances. This, together with the approach of bad weather, could lead the South Vietnamese to postpone their move on Thuong Duc.

National Intelligence Bulletin October 4, 1974

Elsewhere in the country, military action is light. For the most part, Communist forces are resting and refitting their units, following the heavy round of action in July and August.

25X1
25X1CYPRUS

Acting Cypriot President Clerides reportedly decided not to go through with his threatened resignation yesterday after receiving a strong statement of support from Archbishop Makarios. An apparent attempt against his life late last night, possibly by pro-Makarios leftists, may well cause him to reconsider, however.

According to the US embassy in Nicosia, Clerides believes Vassos Lyssarides, a leftist political leader and an ardent Makarios supporter, was directly responsible for the assassination attempt. Clerides reportedly believes Makarios is indirectly responsible for the attempt, by virtue of his earlier efforts to undermine Clerides.

Earlier yesterday, Archbishop Makarios had urged Greek Cypriots to help Clerides in his "difficult and complex task." Makarios called for an end to mass rallies and speculation by his supporters about his return. The archbishop said he would decide for himself the date of his return after the forthcoming discussion of the Cyprus issue at the UN.

Makarios and Greek Prime Minister Karamanlis had previously given Clerides private and public assurances of support, but Clerides considered them inadequate. He demanded unequivocal backing, claiming he could not otherwise negotiate with the Turkish Cypriots or govern the Greek Cypriots.

25X1
25X1

National Intelligence Bulletin October 4, 1974LEBANON

President Franjiyah yesterday designated veteran centrist leader Saib Salam as prime minister and charged him with forming a new government. Salam's ability to assemble a new cabinet quickly is questionable; he reportedly will be strongly opposed by leftist leader Kamal Jumblatt, who played an important role in bringing down former prime minister Sulh's government last week.

The 69-year-old Salam has already served four times as prime minister, most recently from 1970 to 1973. He is generally regarded as more capable and assertive than Sulh, whose major accomplishment was to survive for 14 months while avoiding or postponing difficult decisions as long as possible. Salam will find it difficult to improve on his predecessor's record should he succeed in forming a cabinet. According to the latest assessment by the US embassy in Beirut, President Franjiyah himself is exerting little leadership and, despite calls in parliament for sweeping social, economic, and administrative changes, no political element in the country wants a really strong central government.

Although wrangling over a new cabinet may be protracted, the political situation in Lebanon has not yet reached crisis proportions. None of the major forces competing to improve its position seems willing to destroy the existing governmental system and no alternative has been forthcoming to the delicate balance of confessional and economic forces. The embassy foresees a further slow erosion in President Franjiyah's ability to govern, but it anticipates that he will be able to muddle through until the parliamentary and presidential elections scheduled for 1976.

25X1

National Intelligence Bulletin

October 4, 1974

TURKEY

Justice Party leader Demirel's attempt to form a new government has foundered on the same obstacle that blocked earlier efforts by Prime Minister Ecevit--the Democratic Party. The Democrats accused the Justice Party head of having a "premiership complex" and said they would not accept Demirel as the head of a coalition in which they participated.

Democratic Party leader Bozbeyli said he would not object to a center-right coalition headed by someone other than Demirel, but Demirel is unlikely to permit his party to join a government he does not head.

Without the Democrats, Demirel will be unable to form a government and will probably now ask President Koruturk to relieve him of the task. The President could turn to some prominent apolitical figure to try to form a nonpartisan government, but he is more likely to ask Ecevit to try again.

Ecevit seemed to imply that he had Koruturk's agreement to this scenario when he talked of his political plans with the US embassy last week. At that time, Ecevit expected Demirel to fail and believed that the Democratic Party would be more amenable to joining him in a coalition after it was demonstrated that a center-right grouping was unobtainable.

It has been more than two weeks since Ecevit's coalition government collapsed and, if efforts to form a new government drag on much longer, political leaders could begin to get nervous about a possible military intervention to end the stalemate. Ecevit might, therefore, find sufficient support in parliament to form a minority government if the Democratic Party again rejects his overtures.

25X1

Page Denied

Next 1 Page(s) In Document Denied

National Intelligence Bulletin October 4, 1974THAILAND

Prime Minister Sanya, citing health reasons, has announced that he is taking a temporary leave from office and turning over his duties to Deputy Prime Minister Prakop. There is widespread belief that Sanya will not attempt to return to office.

While the 67-year-old former professor's health is indeed shaky, there is evidence that the timing of his decision was prompted more by political considerations.

During the past week, Sanya has been buffeted by strong criticism from all quarters, including his own cabinet, for his inept handling of student protests against the draft constitution. His seeming willingness to knuckle under to their demands, which included scuttling the draft constitution that has been in the works for close to a year, served to undermine much of the respect that Sanya had built up during his year in office.

Sanya steps aside a day before final deliberations on the constitution begin in the National Assembly. Student militants had threatened to turn the proceedings into a violent confrontation with the police on October 5, and it may have been the prospect of having to get tough with the students that finally forced his hand. Sanya, who has neither the stomach for violence nor the inclination to stifle student political activities, found it increasingly difficult to cope with leftist students whose provocative actions had drawn them away from the mostly conservative student community.

It seems doubtful that the militants will attract much support from other students for demonstrations on October 5--two key university groups have announced they will refrain from protests at this time. The police and the army, however, seem to be looking for any excuse to crack down on student demonstrators, thus raising the potential for trouble.

National Intelligence Bulletin October 4, 1974

Whether or not the students try to provoke a confrontation, Sanya is likely to stay on the sidelines until the draft constitution is promulgated, which seems likely to occur on October 8. He may choose that occasion to offer his resignation, citing the completion of the task he assumed when he took office a year ago--the drafting of a new constitution--and formally turn over his responsibilities to Prakop. Since general elections are scheduled for February 1, it is presumably a solution that most Thai could accept.

25X1

25X1

National Intelligence Bulletin

October 4, 1974

FRANCE

Increasing concern in France over the activities of radicals in the armed forces will probably prompt reforms and some further liberalization in the military, following a defense review of problems derived from conscription and current personnel policies.

There have been previous indications that these problems are of concern to the defense minister, but an expression of interest by the secretary general of President Giscard d'Estaing's right-of-center Independent Republican Party suggests they have attracted wider attention. Following a visit to military installations, the party secretary claims to have found a "dangerous situation at all levels in the army" due to anarchist and radical Marxist activity. However, only isolated incidents have occurred thus far, such as two recent demonstrations by draftees over the conditions of conscript service.

Some measures have already been taken to improve conditions within the military. These have included pay increases, more liberal pass and leave policies, and a greater uniformity of assignments among conscripts. The defense minister has also suggested that the defense study could result in a recommendation that conscript service times be differentiated, probably meaning a reduction in the current 12 months for duties where extensive training is not required. This would be a sharp departure from present policy, which emphasizes the obligation to serve and the equality of service. Conservative elements will probably oppose such a proposal.

Radical elements are expected to continue to agitate for better service conditions and the reduction or elimination of conscription in their efforts to embarrass the government. Pay increases and the attainment of a more liberal environment in the armed forces, however, should leave little room for widespread discontent.

25X1

National Intelligence Bulletin October 4, 1974

FOR THE RECORD

25X1

France-Greece: The French military attaché in Athens recently confirmed that Greece has ordered 40 Mirage F-1 aircraft from France. The first delivery--consisting of four or five aircraft--is expected to be made early next year, with the remainder to be turned over at the rate of one per month. Training for Greek air force personnel on the F-1 is scheduled to be completed by next summer, according to the French attaché.

25X1

Top Secret

Top Secret



25X1